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MEMORANDUM FOR: ████████████████

FROM: Mr. Malanick

SUBJECT: Recommendations for FY 78 Objectives
(MBO Program)

    1. Attached is a copy of the memorandum sent to each Office Director initiating the FY 78 MBO Program with a request for submission of proposed Office objectives to DDA by 31 August 1977.

    2. As in past years, the Directorate's FY 78 MBO Program will consist of two types of objectives:

        a. objectives peculiar to the activities of one or a few Offices, and

        b. objectives established Directorate-wide. (For example, in FY 77, a Directorate objective has been to update all regulations under the cognizance of the DDA Offices.)

    3. The recently-announced reorganization, the sizeable reduction in the DDO, and the many questions that will remain unanswered for several months, all pose a particular challenge to the senior managers of this Directorate--now and certainly within the coming year. Some of these challenges can and should be considered within the framework of the MBO Program.

    4. I would appreciate receiving from you and your staff recommendations for FY 78 objectives that focus on areas across the Directorate or localized in one or two Offices, where the changes in DDO can be expected to create problems or opportunities. However, don't feel you must be limited in scope of your

recommendations to merely this area. All recommendations for
proposed objectives will be welcome. Please forward them
through the Management & Assessment Staff by the date indicated.

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Michael J. Malanick

Attachment:
  Office Directors' Memo re MBO Program

DDA 77-4457

8 August 1977

MEMORANDUM FOR: Director of Communications
                Director of Data Processing
                Director of Finance
                Director of Logistics
                Director of Medical Services
                Director of Personnel
                Director of Security
                Director of Training
                Chief, Information & Privacy Staff
                Chief, Information System Analysis Staff

FROM: Michael J. Malanick
                Acting Deputy Director for Administration

SUBJECT: Directorate MBO Program for FY 1977 & FY 1978

   1.   The MBO Schedule, which is attached, signals the be-
ginning of the Directorate's FY 1978 Management by Objectives
(MBO) Program and the wrap up of the FY 1977 Program.

   2.   The past year has seen reduced commitment to MBO
by other organizations--both in other agencies and in CIA.
A review of the contributions of MBO to this Directorate
over the past few years, however, leads to the conclusion that
the philosophy and techniques are particularly appropriate
to the activities of DDA. Among many other features, MBO--

        a.   provides an opportunity and framework not
        otherwise available for a deliberate, scheduled,
        and periodic professional dialogue on the status
        and progress toward achievement of key management
        objectives of the Directorate;

        b.   reserves for review of long-range manage-
        ment objectives an allotment of time that otherwise
        would be spent on day-to-day, short-range problems;

        c.   offers a unique perspective from which to
        view Directorate management efforts; and

        d.   fosters communications and coordination.

These few, listed attributes alone constitute a bottom line equaling a plus.

3. Recently a DDA Administrative Notice (#77-5 dated 28 July 1977) reaffirmed commitment by the DDA to use of Letters of Instruction (LOI's) that are part and parcel of the MBO concept. This memorandum affirms commitment by the DDA to MBO--a forward-looking, results-oriented, participative management program. Focusing on selected key management areas, the Directorate's MBO Program will continue to address objectives that are innovative, problem solving, and/or uniquely important.

4. The first step toward establishing the FY 1978 MBO Program has been the selection of three Directorate management goals against which to concentrate MBO efforts and frame objectives.

   a. <u>Better Results - Effectiveness</u>

   The Directorate will undertake specific actions to improve the results--that is, the effectiveness-- of its activities. Results are the raison d'etre for the organization, resources, and operation of this Directorate. A priority goal must always be "excellence"--to better our "product."

   b. <u>Update Expertise - Proficiency</u>

   The Directorate will undertake specific actions to update or modernize the management and performance of its activities. Change constantly occurs in management and administrative policies and practices; in the political, social, and economic environment; and in technology. Many of these changes represent new ideas or advances in the "state of the art" whose adoption or synthesis will help sustain the high level of organizational and personal expertise demanded of DDA--especially in a time of dwindling resources.

   c. <u>Enhance Information Management</u>

   The Directorate will undertake specific action to enhance handling and exploitation of information. Expansion of ADP, word processing, files, libraries, graphics--all continue to offer more and more challenges to the manager. Positive efforts must be taken by the Directorate to attain a high degree of efficiency in handling information and to optimize usefulness of the information.

An objective of this Directorate is to report by the end of
FY 1978 specific and measurable progress against each one of
these management goals.

5. Each Office should review its activities and plans for
identification and development of at least one objective under
each of these three Directorate goals. Although these objec-
tives will be deemed the priority objectives of the Directorate,
Office Directors are expected to recommend also objectives
that are responsive to other implicit Directorate or to Office
goals.

6. The MBO Schedule provides for the submission of pro-
posed objectives to the DDA on or before 31 August. Please
forward proposed objectives through the Management and Assess-
ment Staff in the format illustrated by Attachment B. That
format provides for:

       a. Identification--number and short title

       b. Statement of objective

       c. Comment or description if needed to clarity
the objective

       d. Coordination with other Offices

       e. Goal

7. The MBO Schedule anticipates review and approval of
FY 1978 objectives by the DDA before the end of September for
implementation on 1 October.

8. Although action plans need not be submitted with the
proposed objectives, it is recommended that each Office at a
minimum tentatively outline an action plan at the time the
objectives are formulated. The schedule anticipates submission
of action plans for discussion at the October 1977 Management
Conferences. To assist Offices in the development of action
plans, attached is a copy of "Guidelines for Writing Objectives
and Action Plans."

9. The final Management Conferences on the Fiscal Year
1977 MBO Program will be held in October. By the end of
November, each Office should be prepared with an evaluation
of its missions and functions, preferably by use of the posi-
tive indicators that have been developed during Fiscal Year 1977.
These evaluations will be discussed with the DDA on or about
30 November 1977.

10.   Formal post review of the FY 1977 MBO Program and submission of a report to the DDA in November will be the responsibility of the Management and Assessment Staff in consultation with the Offices as required.

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11.   MAS personnel are available on extension ▮▮▮ to pro- STATOTHR vide assistance requested by the Offices.

Micha∉l J. Malanick

Attachments:
   (A)   MBO Schedule for FY 1977 and FY 1978
   (B)   Format for Submission of Proposed Objectives
   (C)   Guidelines for Writing Objectives and Action Plans

cc: A/I/DDA

ATTACHMENT A

MBO SCHEDULE

DATE	FY 1977 PROGRAM	FY 1978 PROGRAM
August 1977	MBO Conference - Status of FY 1977 DDA objectives for period 1 May thru 31 July 1977	New Directorate and Office level objectives proposed for FY 1978
September 1977		FY 1978 objectives approved and published
October 1977	MBO Conference - Activity for selected FY 1977 objectives for period 1 August thru 30 September 1977	MBO Conference - Action Plans for FY 78 objectives discussed/appv'd
November 1977	DDA/M&AS - Prepare written evaluation of Directorate FY 1977 MBO Program DDA Offices - Report on evaluation of the Office's missions and functions	
December 1977		MBO Conference - Status of FY 1978 objectives for period 1 October thru 30 November 1977
February April June August 1978		MBO Conferences - Status of FY 1978 objectives (for the previous two-month period) discussed
October 1978		MBO Conference - Activity for selected FY 78 objectives for period 1 August thru 30 September 1978
November 1978		DDA/M&AS - Prepare written evaluation of Directorate FY 1978 MBO Program

8 August 1977

ATTACHMENT B
sample format

DDA - FY 1978 MBO PROGRAM
Proposed Objectives

OFFICE OF GENERAL SUPPORT

1/   NUMBER: OGS-8-78

2/   SHORT TITLE: Omnibus Microfilm Project

3/   STATEMENT OF OBJECTIVE: To implement procedures by 31 March 1978 for weekly, multi-copy
                                 microfilming of the central Omnibus files for distribution to
                                 users.

4/   EXPLANATION: Copies of microfilm will be sent to the 38 Offices having frequent
                                 need to refer to the central Omnibus files. This will give users
                                 immediate access to information in contrast with a current waiting
                                 period of three days now required for reproduction, mailing, and
                                 routing of a xerox copy on demand.

5/   COORDINATION: The Office of Special Support has concurred with the proposed
                                 objective which is a joint project. Approval by the Office of
                                 Microfilming will be required for selection of equipment.

6/   GOAL: This objective supports the Directorate goal for improving effec-
                                 tiveness of its activities

1/   Numbers will consist of Office initials, next sequential number following last number
      assigned in FY 1977, and fiscal year in which the objective is initiated. Objectives that
      continue from prior years will retain the old number but drop the alphabetic designation
      of objective level (formerly used to identify Agency vs. Directorate MBO Program).
      Example: OGS/D-3-77 will be OGS-3-77.

2/   Common use name for objective.

3/   See "Guidelines for Writing Objectives" for suggestions in preparing the statement.

4/ For clarification, further description, etc., to aid in understanding and review leading to approval of the objective by the DD/A.

5/ Identify other Offices that are or will be involved in attainment of the objective and coordination status.

6/ Answer to the implied "why" of the objective.

8 August 1977

DDA - FY 1978 MBO PROGRAM

SECTION I: Guidelines for Writing
Objectives

SECTION II: Guidelines for Writing
Action Plans

8 August 1977

DDA - FY 1978 MBO PROGRAM

SECTION I
GUIDELINES FOR WRITING OBJECTIVES

The format of a written objective usually contains at least three major components. It specifies action, results, and the conditions (constraints) under which an objective is to be performed. That is, the statement indicates the "what" (action), the "when" and "how much" (conditions) of the action and its anticipated results. The "why" of the objective is not given here because it has been discussed in the goal setting process. The "how" is typically excluded from the objective statement because this is a purpose of the action plan. An example of a statement of an objective follows:

> To reduce the amount of employee turnover (action) by 25% (result) by October 1st (condition/ time constraint).

1. Specific

An essential characteristic of a good objective is that it should be specific. That is, it should clearly, concisely, and unambiguously suggest one key area of activity in which accomplishment is to take place. The statement should enable all concerned to determine what single end result or condition is to be achieved.

Objectives usually are written beginning with "to" followed by an action verb such as:

analyze	develop	introduce	recruit
calculate	establish	limit	reduce
classify	expand	list	repair
complete	implement	operate	select
conduct	improve	organize	solve
decrease	increase	perform	train
describe	install	publish	write

2. Conditions or Constraints

The parameters under which the action is to be performed and results achieved need to be stated. Constraints may include a variety of items such as time, cost, resources, and physical or environmental conditions.

3. Measurable, Tangible, or Verifiable

Some objectives are easy to quantify whereas others are extremely difficult. Where possible objectives should be stated in some measurable terms such as dollars, percents, ratios, quantities or time. Measurable objectives make it possible to determine if the objective has been achieved, which in turn aids in the performance appraisal process.

For those key areas in which performance is difficult to measure such as development of personnel or the improvement in relations with subordinates, subjectives can be used. Subjectives are formulated in terms of specific verifiable activities or events which, if achieved, should lead to the desired result.

4. Consistent

Objectives should be consistent with and supportive of organization plans, policies and procedures.

5. Attainable

Given the abilities of the individual involved and the resources available, a realistic possibility of achieving the objective should be expected. Furthermore, the individual should have control or at least influence over the accomplishment of the objective. The actions needed to accomplish the desired result should also be within the authority of the individual.

6. Challenging

Achieving the objective should require greater effort than needed to maintain the status quo. An objective should challenge an individual to expand his abilities and should focus on growth and development.

However, it should be recognized that some legitimate performance objectives require maintaining the status quo. With changing environmental conditions, maintaining the status quo can be a challenge. An example of challenging maintenance performance objective may be to keep your production at the same level with a parallel reduction in funds or personnel.

7. Relevant and Important

Achievement of the objective should provide the maximum payoff on required investment in time and resources as compared with other objectives. That is, the objective should be focused on key result areas.

In review, although all objectives will not meet these criteria, they can serve as guidelines in writing good objectives:

-- Be specific regarding action to be taken and results expected.

-- State conditions or constraints such as time and cost.

-- Be measurable, tangible, or verifiable.

-- Be consistent with other organization objectives, policies, plans and procedures.

-- Be attainable given abilities and resources.

-- Be challenging.

-- Be relevant and important.

DDA - FY 1978 MBO PROGRAM

SECTION II
GUIDELINES FOR WRITING ACTION PLANS

1. The statement of the objective identifies "what" is to be done. The function of the action plan is to outline "how" it will be accomplished. The action plan should specify those activities, resources and events required to achieve the objective.

2. Some objectives are simple and require an action plan which can be stated in a brief manner. Others require more extensive investigation to determine what is needed to obtain the desired results. The following steps may be helpful in facilitating the development of an action plan:

Phase I: Define Supporting Actions Needed to Accomplish the Objective

The action plan should itemize the specific significant action (milestones) that the responsible officer intends to take to achieve the objective. These milestones should represent the completion of critical actions necessary for the manager to accomplish his objective and should meet all of the following criteria:

(A) Measurable - Each milestone should be stated in terms that will allow determination of whether it has been completed.

(B) Significant - Each milestone should represent a significant step toward achievement of the objective.

(C) Logical - Each milestone should follow logically from the previous steps and lead to future steps.

(D) Complete - Completion of all of the milestones called for in the plan should assure achievement of the objective.

Phase II: Assign Responsibility for Each Supporting Action

The action plan should cover only those actions to take place during a given fiscal year. A rule of thumb is that at

least one milestone should be scheduled for completion in each
two-month period of the fiscal year.

Phase IV: Specify Resources for the Objective

    Although the objective statements may have identified some
resources (conditions) needed to achieve an objective, further
delineation of the type and amount of resources required to
implement the plan is desired. An estimate of the fiscal year
resources in terms of manyears and dollars should be included
in your action plan.

Phase V: Verify Time Schedules and Modify Action Plan

    Determining the most suitable action is often an interactive
process. That is, several reviews and changes may be needed in
the original plan before a final action plan is made. Such
modifications may also alter the original time schedule and re-
quire adjustments.

    3. Once you have completed the step outlined above,
please submit your action plan on Form 3629 (attached).

OBJECTIVE AND ACTION PLAN

OBJECTIVE NO.	OFFICE	RESPONSIBLE OFFICER	FY	FY RESOURCE ESTIMATE		PERIOD	STATUS
				MYR	DOLLARS	OCT - NOV	
OBJECTIVE						DEC - JAN	
						FEB - MAR	
						APR - MAY	
						JUN - JUL	
						AUG - SEP	

+ EXCEEDING PLAN
= MEETING PLAN
< BEHIND PLAN

ACTION PLAN (Milestones)	COMPLETION MONTH: SCHEDULED O; ACTUAL X											
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP

(41-42)

FORM 2629 OBSOLETE PREVIOUS

Budget, or whereer

1. <u>OF/ODP/OC</u>: Design, test, and implement transmittal of T&A information electrically from the field directly into the OF Headquarters computer data base. This will eliminate pouching of T&A cards biweekly to/from field stations. Further, it will effect salary payment for field personnel on a current basis, and provide them with payroll information slips similar to those provided Headquarters personnel.

2. <u>OP</u>: Assume complete responsibility for corresponding directly (without DDO Area Division coordination) with field personnel on credit union, VIP, insurance and retirement matters. This would significantly reduce the time spent in support components in coordinating/releasing/following up on such correspondence. Further, it would reduce the number of copies required for such correspondence.

3. <u>OF</u>: In concert with the Comptroller reduce/simplify budget preparation procedures so as to reduce workload on component Budget Officers by X%.

4. <u>OF/OC/ODP</u>: Design, test, and implement a system to transmit Class A Accounting data from the field directly to a Headquarters data base. The system would be compatible with the input/procedure of the GAS system. The objective would be to reduce field and Headquarters workloads and increase the timeliness of our financial reporting by utilizing OC data transmission capabilities and ODP computer data bases.

E.2. IMPDET CL BY 056624

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5. <u>O/DDA</u>: Consider Regional Support Office concept. This could reduce number of support personnel in the field, and minimize shift of work to Headquarters. Regional Support Officer would be generalist with broad delegations of authority. They would visit stations/bases on a periodic schedule. Stations/bases would accumulate all but urgent support work/questions pending visit of regional officer. This could result in reducing the administrative workload both at Stations and at Headquarters.

6. <u>OF/SSA</u>: Conduct a feasibility study re administering travel and allowances for all overseas personnel on the same basis as we handle benefits for NOC's. This would reduce administrative workload in the field and at Headquarters.

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CONFIDENTIAL

1. <u>OF/ODP/OC</u>: Design, test, and implement transmittal of
T&A information electrically from the field directly into the
OF Headquarters computer data base. This will eliminate pouching
of T&A cards biweekly to/from field stations. Further, it will
effect salary payment for field personnel on a current basis, and
provide them with payroll information slips similar to those pro-
vided Headquarters personnel.

2. <u>OP</u>: Assume complete responsibility for corresponding
directly (without DDO Area Division coordination) with field
personnel on credit union, VIP, insurance and retirement matters.
This would significantly reduce the time spent in support components
in coordinating/releasing/following up on such correspondence.
Further, it would reduce the number of copies required for such
correspondence.

3. <u>OF</u>: In concert with the Comptroller reduce/simplify
budget preparation procedures so as to reduce workload on component
Budget Officers by X%.

4. <u>OF/OC/ODP</u>: Design, test, and implement a system to transmit
Class A Accounting data from the field directly to a Headquarters
data base. The system would be compatible with the input/procedure
of the GAS system. The objective would be to reduce field and
Headquarters workloads and increase the timeliness of our financial
reporting by utilizing OC data transmission capabilities and ODP
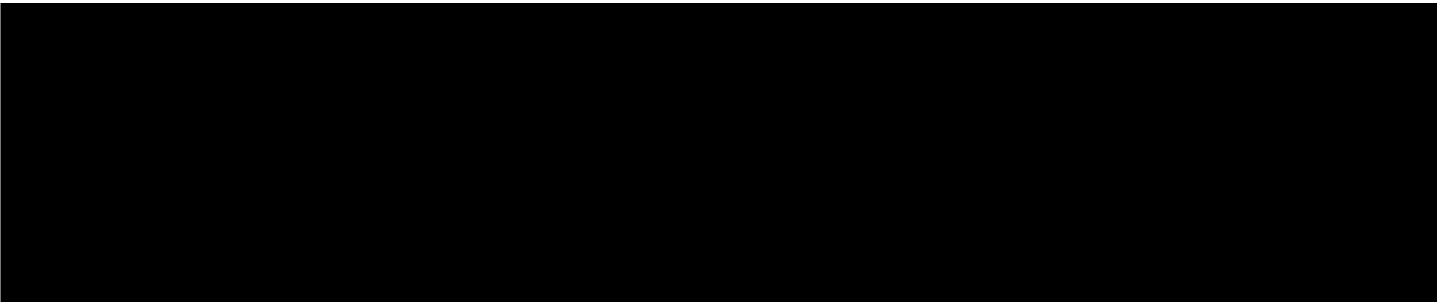computer data bases.

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5. <u>O/DDA</u>: Consider Regional Support Office concept. This could reduce number of support personnel in the field, and minimize shift of work to Headquarters. Regional Support Officer would be generalist with broad delegations of authority. They would visit stations/bases on a periodic schedule. Stations/bases would accumulate all but urgent support work/questions pending visit of regional officer. This could result in reducing the administrative workload both at Stations and at Headquarters.

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